

## Message Text

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PAGE 01 THE HA 02014 181500Z  
ACTION EUR-12

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-08 NSC-05  
TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00  
COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03  
LAB-04 SIL-01 L-03 H-01 PA-01 PRS-01 /086 W  
-----181950Z 123438 /43

R 181408Z APR 77  
FM AMEMBASSY THE HAGUE  
TO SECSTATE WASHDC 305  
INFO AMEMBASSY BONN  
AMEMBASSY BRUSSELS  
USMISSION EC BRUSSELS  
USMISSION OECD PARIS

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E.O. 11652: N/A  
TAGS: EFIN, NL  
SUBJ: NETHERLANDS BANK CUTS DISCOUNT RATE

REF: THEHAGUE 112

1. FOLLOWING CLOSE OF FINANCIAL MARKETS APRIL 15, NETHERLANDS  
(CENTRAL) BANK ANNOUNCED ONE-HALF POINT CUT IN DISCOUNT RATE  
TO 4.5 PERCENT EFFECTIVE APRIL 18. PROMISSORY NOTE RATE WAS  
ALSO CUT FROM 6.0 TO 5.5 PERCENT AND SECURED LOAN RATE,  
FROM 6.0 TO 5.0 PERCENT. LAST ADJUSTMENT BY BANK WAS FULL  
POINT CUT ACROSS THE BOARD ON JAN 7.

2. COMMENT: THIS CUT, LIKE THE PREVIOUS ONE, WAS PRIMARILY  
TO EASE UPWARD PRESSURE ON GUILDER IN FOREIGN EXCHANGE  
MARKETS. BANK REMAINS CONCERNED ABOUT RAPID GROWTH OF DO-  
MESTIC CREDIT AND IS CONTINUING NEGOTIATIONS WITH BANKING  
SECTOR ON CREDIT RESTRICTIONS. SHOULD REDUCTION IN RATE  
STIMULATE CREDIT DEMAND FURTHER, NETHERLANDS BANK WILL ALMOST  
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PAGE 02 THE HA 02014 181500Z

CERTAINLY BE FORCED TO IMPOSE RESTRICTIONS IF IT DECIDES TO  
STICK WITH STATED OBJECTIVE OF 12 PERCENT CREDIT GROWTH  
THIS YEAR.  
MCCLOSKEY

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01-Jan-1994 12:00:00 am  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** CURRENCY CONTROLS, ECONOMIC PROGRAMS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Sent Date:** 18-Apr-1977 12:00:00 am  
**Decaption Date:** 01-Jan-1960 12:00:00 am  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 22 May 2009  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1977THEHA02014  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Expiration:**  
**Film Number:** D770134-0537  
**Format:** TEL  
**From:** THE HAGUE  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1977/newtext/t19770445/aaaabmzg.tel  
**Line Count:** 59  
**Litigation Code IDs:**  
**Litigation Codes:**  
**Litigation History:**  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Message ID:** 645d3aa3-c288-dd11-92da-001cc4696bcc  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Retention:** 0  
**Review Action:** RELEASED, APPROVED  
**Review Content Flags:**  
**Review Date:** 08-Mar-2005 12:00:00 am  
**Review Event:**  
**Review Exemptions:** n/a  
**Review Media Identifier:**  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**SAS ID:** 2770949  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** NETHERLANDS BANK CUTS DISCOUNT RATE  
**TAGS:** EFIN, NL, NETHERLANDS CENTRAL BANK  
**To:** STATE  
**Type:** TE  
**vdkgvwkey:** odbc://SAS/SAS.dbo.SAS\_Docs/645d3aa3-c288-dd11-92da-001cc4696bcc  
**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
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